Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/15/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [X] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [X] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
AVALON RISK MANAGEMENT 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/15/2010

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
AVALON RISK MANAGEMENT INSURANCE AGENCY LLC

150 NORTHWEST POINT BLVD.
4TH FLOOR
ELK GROVE VILLAGE, IL 60007

150 NORTHWEST POINT BLVD.
4TH FLOOR
ELK GROVE VILLAGE, IL 60007

2b Employer Identification Number (EIN)
20-1572094

2c Sponsor's telephone number

2d Business code (see instructions)
524210

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	DENISE CHIPMAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

AVALON RISK MANAGEMENT INSURANCE AGENCY LLC

150 NORTHWEST POINT BLVD.
4TH FLOOR
ELK GROVE VILLAGE, IL 60007

3b Administrator's EIN: 20-1572094

3c Administrator's telephone number:

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	122
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	107
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	15
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	122
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	122
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	112
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	13
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/15/2010 and ending 12/31/2010

A Name of plan	**B** Three-digit plan number (PN) ▶	
AVALON RISK MANAGEMENT 401(K) PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
AVALON RISK MANAGEMENT INSURANCE AGENCY LLC	20-1572094	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FID.INV.INST.OPS.CO.

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	1050	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ALL/BERN INTL VAL A - ALLIANCEBERNS 13-3211780	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ALLNZ NFJ DIV VAL AD - BOSTON FINAN 04-2526037	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COHEN & STEERS RLTY - BOSTON FINANC 04-2526037	0.40%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
EATON LG CAP VALUE A - PNC GLOBAL I 04-2871943	0.50%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MGRS/C CAP APPR ADM - BNY MELLON IN P.O. BOX 9793 PROVIDENCE, RI 02940	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
NORTHERN SM CAP VAL - NORTHERN TRUS 801 SOUTH CANAL STREET CHICAGO, IL 60607	0.40%

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/15/2010 and ending 12/31/2010

A Name of plan
AVALON RISK MANAGEMENT 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
AVALON RISK MANAGEMENT INSURANCE AGENCY LLC

D Employer Identification Number (EIN)
20-1572094

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: FID MGD INC PORT

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3022712-024	C	103670

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/15/2010 and ending 12/31/2010

A Name of plan
AVALON RISK MANAGEMENT 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
AVALON RISK MANAGEMENT INSURANCE AGENCY LLC

D Employer Identification Number (EIN)
20-1572094

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	100000
(2) Participant contributions	1b(2)	0	40355
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	0	79620
(9) Value of interest in common/collective trusts	1c(9)	0	103670
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	2849450
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	0	3173095
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	0	3173095

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	100000	
	(B) Participants	2a(1)(B)	402237	
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		502237
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	2072	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2072
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	50793	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		50793
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		2607
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		388079
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		945788
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	284745	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		284745
f Corrective distributions (see instructions)	2f		23152
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1052	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1052
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		308949
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		636839
l Transfers of assets:			
(1) To this plan	2l(1)		2536256
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: JOHNSON LAMBERT & CO. LLP (2) EIN: 52-1446779

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e		X	
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/15/2010 and ending 12/31/2010

A Name of plan
AVALON RISK MANAGEMENT 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
AVALON RISK MANAGEMENT INSURANCE AGENCY LLC

D Employer Identification Number (EIN)
20-1572094

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

JOHNSON LAMBERT & CO. LLP
CPAs AND CONSULTANTS

Avalon Risk Management 401(k) Plan

Financial Statements as of and for the
period ended December 31, 2010

Additional information required for Form 5500
as of December 31, 2010

Avalon Risk Management LLC 401(k) Plan

Index to Financial Statements

	Page Number
Report of Independent Auditors	1
Financial Statements	
Statement of Net Assets Available for Benefits (December 31, 2010)	2
Statement of Changes in Net Assets Available for Benefits (Period Ended December 31, 2010)	3
Notes to Financial Statements	4 - 12
Additional Information *	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year December 31, 2010)	13

* Other supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

Report of Independent Auditors

Board of Directors
Avalon Risk Management 401(k) Plan:

We were engaged to audit the accompanying statement of net assets available for benefits of Avalon Risk Management 401(k) Plan (the Plan) as of December 31, 2010, and the related statement of changes in net assets available for benefits for the period January 15, 2010 through December 31, 2010 and the supplemental Schedule H, line 4i- Schedule of Assets Held (At End of Year) as of December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the Trustee as of and for the period ended December 31, 2010 that the information provided to the Plan administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Johnson Lambert & Co. LLP

Arlington Heights, Illinois
October 6, 2011

Avalon Risk Management LLC 401(k) Plan

Statement of Net Assets Available for Benefits

	December 31, 2010
Assets	
Mutual funds, at fair value	$ 2,849,450
Common/collective trust, at fair value	103,670
Receivables:	
Employer contributions receivable	100,000
Participant contributions receivable	40,355
Notes receivable from participants	79,620
Total receivables	219,975
Net assets reflecting investments at fair value	3,173,095
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(843)
Net assets available for benefits	$ 3,172,252

The accompanying notes are an integral part of these financial statements.

Avalon Risk Management LLC 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

	Period Ended December 31, 2010
Additions	
Investment income:	
Interest and dividend income, investments	$ 52,557
Net appreciation in fair value of investments	388,079
	440,636
Contributions:	
Employer	100,000
Participant	402,237
Rollovers	-
	502,237
Other additions:	
Interest on notes receivable from participants	2,072
Total additions	944,945
Deductions	
Benefits paid to participants	307,897
Administrative fee	1,052
Total deductions	308,949
Net increase (decrease) in net assets available for benefits	635,996
Net assets available for benefits:	
Beginning of year	-
Transfers into the Plan	2,536,256
End of year	$ 3,172,252

The accompanying notes are an integral part of these financial statements.

AVALON RISK MANAGEMENT 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF PLAN

The following description of Avalon Risk Management 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. Copies of these documents are available from the Avalon Risk Management Insurance Agency, LLC (Avalon). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

General

The Plan is a defined contribution and profit sharing plan established January 15, 2010, sponsored and administrated by Avalon. Employees of Avalon who have met certain age and service requirements are eligible to participate in the Plan. All of the Plan's investments are held by Fidelity Management Trust Company (FTMC). All investments are participant directed.

There were no plan amendments in 2010.

Contributions

Each year, participants may contribute a percentage of pre-tax annual eligible compensation to the Plan at rates specified in the Plan. The total pre-tax contribution, however, is subject to dollar limitations set forth by the Internal Revenue Code ($16,500 in 2010) and 90% of eligible compensation. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions of not greater than $5,500 in 2010. Additionally, Avalon may at its discretion contribute a supplemental contribution to the Plan. A participant's total contributions to the Plan are subject to dollar limitations set forth in the Internal Revenue Code (IRC).

Eligible participants who have not affirmatively elected otherwise will be automatically enrolled in the Plan at a 3% deferral rate. The automatic deferral rate will increase 1% annually not to exceed 5%.

Company contributions are made at the discretion of the Plan Sponsor each plan year and are approved by the Board of Directors. The Plan Sponsor may also elect to make discretionary non-elective contributions, as approved by the Board of Directors. A participant must be employed on the last day of the plan year to be eligible for non-elective contributions. Discretionary non-elective contributions, if any, made to the Plan are allocated to the participant's account based on the participant's proportionate eligible compensation to total eligible compensation paid to all eligible participants for the plan year.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Participant Accounts

Participants are responsible for directing the investment of their individual account. Each participant's account is credited with his/her contributions, company matching contributions, if any, and an allocation of investment earnings (losses). Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earning thereon. Vesting in the company's contribution portion of their accounts is based on years of continuous service. Service with certain previous employers is included to determine the number of years of service for vesting purposes. A participant is 100 percent vested after five years of credited service. All participants will become immediately vested in their accounts when they reach age 55, the Plan is terminated, contributions to the Plan are discontinued, or a participant becomes disabled or dies. Non-vested portions of participants' accounts are forfeited and applied to first reduce administrative expenses and then future company contributions. At December 31, 2010 forfeited non-vested accounts totaled $4,536.

Plan Expenses

The Plan's administrative expenses are either paid by the Plan's Sponsor or the Plan's participants.

Notes Receivable from Participants

Participants may borrow from their accounts up to 50% of their vested balance, with total borrowings not exceeding $50,000. Loan terms range from one to five years but can be extended to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25 percent to 9.25 percent, which are commensurate with local prevailing rates as determined by the Plan Administrator. The repayment of loan principal and interest are deposited in the participant's account. Loan repayments must be at least quarterly through a payroll deduction.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits

A participant may request a distribution under the following circumstances, (1) the participant becomes disabled, (2) the participant reaches normal retirement age, (3) termination of employment or (4) event of participant's death.

Participants with individual account balances of $1,000 or less will receive a lump sum payout.

Participants 70 ½ are generally subject to yearly required minimum distributions based on their account value and life expectancy.

Prior to taking a hardship distribution, a participant must take all other distributions available under the Plan. Participants under age 59½, may be subject to a 10% penalty tax on hardship distribution amounts. Contributions eligible for distribution are employee deferrals.

Plan Termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan by actions of the Designated Principal(s) subject to the provisions of ERISA. In the event of plan termination, participants would receive the value of their accounts.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

The following accounting policies, which conform with accounting principles generally accepted in the United States of America (GAAP), have been used consistently in the preparation of the Plan's financial statements:

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition

GAAP establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Plan has a benefit-responsive investment contract with Fidelity. Fidelity maintains the contributions in a general account, which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value, as reported and certified to the Plan by Fidelity. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The difference between net assets reflecting all Plan's investments at fair value and net assets available for benefits is presented on the face of the Statement of Net Assets Available for Benefits as a single amount, calculated as the sum of the amounts necessary to adjust the portion of net assets attributed to each fully benefit-responsive investment contract from fair value contract value. The contract value of the Plan's benefit-responsive investment contract was less than fair value by $843 as of December 31, 2010. The crediting interest rate was

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

1.44% at December 31, 2010. Crediting interest rates are reviewed on an annual basis for resetting and there are no limitations on the contract guarantees. The average investment yield was 2.68% at December 31, 2010.

In certain circumstances, the amount withdrawn from the fully benefit responsive investment contract would be payable at fair value rather than at contract value. These circumstances may include, but are not limited to, the following: mergers, mass layoffs, plan terminations, implementation of early retirement incentive programs or other events within the control of the investment contract or the Plan Sponsor resulting in a material and adverse financial impact on the contract. There are no unfunded commitments as of December 31, 2010.

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year end. The Plan's interest in the collective trust is valued based on the net asset value reported by the investment advisor using the audited financial statements of the collective trust at December 31, 2010.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gains distributions are included in dividend income.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) of the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Participant Withdrawals

In accordance with GAAP, participant requests for benefit withdrawals are recorded in the Plan's financial statements as disbursed. There were no withdrawals requested but unpaid at December 31, 2010.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Subsequent Events

The Plan has performed an evaluation of subsequent events through October 6, 2011, which is the date the financial statements were available to be issued and has considered any relevant matters in the preparation of the financial statements and footnotes.

Notes Receivable from Participants

In September 2010, the Financial Accounting Standards Board (FASB) issued guidance which requires participant loans to be measured at the unpaid principal balance plus accrued but unpaid interest and to be classified as notes receivable from participants. The Plan adopted this guidance effective plan year ended December 31, 2010.

NOTE 3 –INVESTMENTS

Investments representing 5% or more of the fair value of net assets available for benefits are as follows:

	December 31, 2010
Fidelity Fund	$ 201,972
Fidelity OTC Portfolio	299,554
Fidelity Diversified International	355,777
Fidelity Freedom 2040	221,312
Fidelity Freedom 2025	210,241
Fidelity Freedom 2035	320,495

NOTE 3 –INVESTMENTS (CONTINUED)

During 2010 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) as follows:

Mutual Funds	$	338,079
Common Collective Trust		-
	$	388,079

NOTE 4 – ASSETS TRANSFERRED INTO THE PLAN

On January 15, 2010 assets in the amount of $2,536,256 were transferred from the Kingsway America, Inc. 401(k) Retirement and Savings Plan. This amount is reflected in the Statement of Changes in Net Assets Available for Benefits as transfers into the plan. In 2011, $21,000 of excess contributions were refunded to certain highly compensated employees, from the assets transferred into the Plan and are recorded as benefits paid to participants as of December 31, 2010 in the Statement of Changes in Net Assets Available for Benefits.

Eligible employees of Avalon Risk Management Insurance Agency, LLC. covered under the Kingsway America, Inc. 401(k) Retirement and Savings Plan became eligible participants of the Plan effective January 1, 2010.

NOTE 5 – RELATED-PARTY TRANSACTIONS

The Plan's investments include shares of registered investment companies (mutual funds) managed by Strategic Advisers, Inc., a Fidelity Investment Company. Due to the relationship between the Plan Trustee and Strategic Advisers, investment transactions in registered investment companies managed by Strategic Advisers qualify as party-in-interest transactions. Investments of the Plan in the Fidelity registered investment companies are exempt from the prohibited transaction rules of ERISA pursuant to a class exemption issued by the U.S. Department of Labor. The Plan also holds an interest in the Fidelity Managed Income Portfolio, a common/collective trust managed by FMTC. Investment fees paid to Strategic Advisers is calculated annually based on a percentage of the average daily balance of assets of enrolled participants and payable in quarterly installments.

Additionally, personal and facilities of Avalon have been used to perform administrative functions for the Plan at no cost to the Plan.

NOTE 6 – TAX STATUS

The Plan is exempt from taxation in accordance with the provisions of section 501(a) of the Code. Employer contributions and income earned from the Plan investments are not taxable to participants until disbursed.

NOTE 6 – TAX STATUS (CONTINUED)

The Plan Sponsor has adopted the Fidelity Defined Contribution Volume Submitter Plan. Fidelity has received a tax termination letter dated March 31, 2008 that the Plan was qualified under IRC Section 401(a). The Plan Administrator believes the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan Administrator has concluded that there are no uncertain tax positions as of December 31, 2010, in accordance with GAAP. Tax returns, including those on extension, filed in the past three years are subject to examination by taxing authorities; there are currently no examinations being conducted.

NOTE 7 – INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, FMTC, the Plan Trustee, has certified the following information, which has not been subject to audit by independent auditors, to be accurate and complete:

- Investment and notes receivable from participants balances included in the Statement of Net Assets Available for Benefits at December 31, 2010.
- Interest and dividend income and net appreciation (depreciation) in fair value of investments for the year ended December 31, 2010 included in the Statement of Changes in Net Assets Available for Benefits and in Note 3.
- Investment and notes receivable from participants balances included in the accompanying Schedule of Assets (held at end of year).

NOTE 8– FAIR VALUE MEASUREMENTS

A fair value measurement is determined based on the assumptions that a market participant would use in pricing an asset or liability, based on a three-tiered hierarchy that draws a distinction between market participant assumptions based on (i) observable inputs, such as quoted prices in active markets (Level 1); (ii) inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2); and (iii) unobservable inputs that require the Plan to use present value and other valuation techniques in the determination of fair value (Level 3). Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measure. The Plan's assessment of the significance of a particular input to fair value measurements requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

NOTE 8 – FAIR VALUE MEASUREMENTS (CONTINUED)

The Plan's financial assets measured at fair value on a recurring basis at December 31, 2010 were as follows:

	Fair Value at December 31, 2010	Level 1	Level 2
Mutual Funds:			
U.S. Equities	$ 978,496	$ 978,496	$ -
Non U.S. Equities	385,135	385,135	
Real Estate	19,814	19,814	
Fixed Income	134,761	134,761	
Blended	1,331,244	1,331,244	
Common/Collective trust	102,827	-	102,827
Total financial assets	$ 2,952,277	$ 2,849,450	$ 102,827

NOTE 9 – RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 to Form 5500:

	December 31, 2010
Net assets available for benefits per the financial statements	$ 3,172,252
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	843
Net assets available for benefits per Form 5500	$ 3,173,095

The following is a reconciliation of investment income per the financial statements at December 31, 2010 to Form 5500:

	December 31, 2010
Total investment and other income per the financial statements	$ 442,708
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	843
Total investment and other income per Form 5500	$ 443,551

Avalon Risk Management LLC 401(k) Plan

Schedule H
Line 4i

Schedule of Assets (Held at End of Year)

Avalon Risk Management LLC 401(k) Plan, EIN 13-3060083
Attachment to Form 5500, Schedule H, line 4i:

	Identity of Issue	Investment Type	Cost**	Current Value
*	Fidelity Fund	Registered Investment Company		$ 201,972
*	Fidelity Puritan	Registered Investment Company		151,894
*	Fidelity Contrafund	Registered Investment Company		18,485
*	Fidelity Equity-Income	Registered Investment Company		3,540
*	Fidelity Value	Registered Investment Company		43,055
*	Fidelity Government Income	Registered Investment Company		88,217
*	Fidelity OTC Portfolio	Registered Investment Company		299,554
*	Fidelity Real Estate Investment Portfolio	Registered Investment Company		5,558
*	Fidelity Convertible Securities	Registered Investment Company		30,082
*	Fidelity Low-Priced Stock	Registered Investment Company		30,004
*	Fidelity Diversified International	Registered Investment Company		355,777
*	Fidelity Stock Selector Small Cap	Registered Investment Company		25,974
*	Fidelity Mid-Cap Stocks	Registered Investment Company		157,735
*	Fidelity Small Cap Stocks	Registered Investment Company		24,440
*	Fidelity Freedom Income	Registered Investment Company		7,712
*	Fidelity Freedom 2000	Registered Investment Company		714
*	Fidelity Freedom 2010	Registered Investment Company		32,318
*	Fidelity Freedom 2020	Registered Investment Company		58,359
*	Fidelity Freedom 2030	Registered Investment Company		131,697
*	Fidelity Managed Income Portfolio	Common Collective Trust		103,670
*	Spartan 500 Index	Registered Investment Company		107,365
*	Fidelity Freedom 2040	Registered Investment Company		221,312
*	Fidelity Total Bond	Registered Investment Company		38,832
*	Fidelity Freedom 2005	Registered Investment Company		363
*	Fidelity Freedom 2015	Registered Investment Company		21,503
*	Fidelity Freedom 2025	Registered Investment Company		210,241
*	Fidelity Freedom 2035	Registered Investment Company		320,495
*	Fidelity Freedom 2045	Registered Investment Company		93,103
*	Fidelity Freedom 2050	Registered Investment Company		89,244
	Managers Cadence Capital Appreciation Administrative	Registered Investment Company		7,692
	Cohen & Steers Reality Shares	Registered Investment Company		6,564
	Northern Small Cap Value	Registered Investment Company		20,049
	Allianz NFJ Dividend Value Administrative	Registered Investment Company		14,114
	Eaton Vance Large Cap Value Class A	Registered Investment Company		2,127
	AllianceBernstein International Value Fund A	Registered Investment Company		29,359
	Total investments			2,953,120
*	Notes receivable from participants	4.25- 9.25%		79,620
	Total assets held for investment purposes			$ 3,032,740

* Party-in-interest
** Cost is not required for participant directed investments.

This schedule was prepared based on information certified by Fidelity Management Trust Company, the Plan Trustee.

Avalon Risk Management LLC 401(k) Plan

Schedule H
Line 4i

Schedule of Assets (Held at End of Year)

Avalon Risk Management LLC 401(k) Plan, EIN 13-3060083
Attachment to Form 5500, Schedule H, line 4i:

	Identity of Issue	Investment Type	Cost**	Current Value
*	Fidelity Fund	Registered Investment Company		$ 201,972
*	Fidelity Puritan	Registered Investment Company		151,894
*	Fidelity Contrafund	Registered Investment Company		18,485
*	Fidelity Equity-Income	Registered Investment Company		3,540
*	Fidelity Value	Registered Investment Company		43,055
*	Fidelity Government Income	Registered Investment Company		88,217
*	Fidelity OTC Portfolio	Registered Investment Company		299,554
*	Fidelity Real Estate Investment Portfolio	Registered Investment Company		5,558
*	Fidelity Convertible Securities	Registered Investment Company		30,082
*	Fidelity Low-Priced Stock	Registered Investment Company		30,004
*	Fidelity Diversified International	Registered Investment Company		355,777
*	Fidelity Stock Selector Small Cap	Registered Investment Company		25,974
*	Fidelity Mid-Cap Stocks	Registered Investment Company		157,735
*	Fidelity Small Cap Stocks	Registered Investment Company		24,440
*	Fidelity Freedom Income	Registered Investment Company		7,712
*	Fidelity Freedom 2000	Registered Investment Company		714
*	Fidelity Freedom 2010	Registered Investment Company		32,318
*	Fidelity Freedom 2020	Registered Investment Company		58,359
*	Fidelity Freedom 2030	Registered Investment Company		131,697
*	Fidelity Managed Income Portfolio	Common Collective Trust		103,670
*	Spartan 500 Index	Registered Investment Company		107,365
*	Fidelity Freedom 2040	Registered Investment Company		221,312
*	Fidelity Total Bond	Registered Investment Company		38,832
*	Fidelity Freedom 2005	Registered Investment Company		363
*	Fidelity Freedom 2015	Registered Investment Company		21,503
*	Fidelity Freedom 2025	Registered Investment Company		210,241
*	Fidelity Freedom 2035	Registered Investment Company		320,495
*	Fidelity Freedom 2045	Registered Investment Company		93,103
*	Fidelity Freedom 2050	Registered Investment Company		89,244
	Managers Cadence Capital Appreciation Administrative	Registered Investment Company		7,692
	Cohen & Steers Reality Shares	Registered Investment Company		6,564
	Northern Small Cap Value	Registered Investment Company		20,049
	Allianz NFJ Dividend Value Administrative	Registered Investment Company		14,114
	Eaton Vance Large Cap Value Class A	Registered Investment Company		2,127
	AllianceBernstein International Value Fund A	Registered Investment Company		29,359
	Total investments			2,953,120
*	Notes receivable from participants	4.25- 9.25%		79,620
	Total assets held for investment purposes			$ 3,032,740

* Party-in-interest
** Cost is not required for participant directed investments.

This schedule was prepared based on information certified by Fidelity Management Trust Company, the Plan Trustee.